

Uniform Sales Tax in States

† 611. SHRI BACHANI LEKHRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a demand for a uniform sales tax is being raised stoutly throughout the country;

(b) if so, whether Government have taken into consideration this demand so far; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN) (a) to (c) Sir, a Conference of Chief Ministers/State Finance Ministers was convened on 16.11.1999 at New Delhi to discuss reforms in domestic trade taxes. In this Conference, all the States/Union Territories agreed unanimously to adopt uniform floor rates of sales tax as recommended by the Committee of State Finance Ministers w.e.f. 01.01.2000. All the States-Union Territories have since, by and large, adopted uniform floor rates of sales tax.

Financial Condition of Orissa

612. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Eleventh Finance Commission has grossly under assessed while non-plan miscellaneous grant has been unduly overpitched as a result of which Orissa government has to face disastrous financial condition in future; and

(b) whether it is a fact that DFID Mission of UK considered that the Orissa debt burden is overwhelming and the fiscal re-adjustment programme need to have support of Government including consideration of debt service relief linked to the reform programme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Eleventh Finance

† Original notice of the question was received in Hindi.

[27 February, 2001]

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Commission has made an assessment of the receipts and expenditures of all States, including Orissa, for its award period 2000—05 by adopting appropriate norms and projections. The Eleventh Finance Commission has recommended a total estimated transfer of Rs. 20754.50 crore to the State of Orissa as against Rs. 9706.55 crore by the Tenth Finance Commission, showing an increase of 114 per cent.

(b) A Joint mission from World Bank and UK Department for International Development (DFID) visited Orissa in connection with discussion of a possible operation in support of the Government of Orissa's economic reform programme. The mission noted the erosion of finances of the Government of Orissa, and the need for the State to embark upon a Medium Term Fiscal Reforms programme. The Eleventh Finance Commission, has also commented upon the deterioration in the finances of the State Governments, including Orissa, and have made recommendations for a debt relief scheme, and a monitorable fiscal reforms facility. The Government of India, has since accepted the recommendations of the Eleventh Finance Commission.

Lower excise collections

613. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the excise collections were hampered recently either by inadequate tax collection effort or by misuse of the expanded MODVAT facility since 1996-97;

(b) if so, the details thereof; and

(c) how this has affected the finances of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No Sir. The share of cash revenue in gross revenue (total of cash revenue and MODVAT) collected through Central Excise is almost stable since 1995-96. In percentage terms, the share of cash revenue in gross revenue of Central Excise is 57.52% in 1995-96, 56.76% in 1996-97, 57.63% in 1997-98, 59.65% in 1998-99 and 58.45% in